

Green Paper
on
Pay Equity

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PUBLIC CONSULTATIONS END

The Public Consultations on Pay Equity drew to a close in Toronto on May 15th following three months of hearings in five regional centres throughout Ontario. The subject: how to implement pay equity in the broader public and private sectors.

In total 112 presentations were made to panel members from business, labour, women's and special interest groups.

Employers were represented by associations such as the Canadian Federation of Independent Business; the Canadian Organization of Small Business; the Ontario Chamber of Commerce; Boards of Trade; Canadian Manufacturers' Association, and Retail Council of Canada. Municipalities such as Metro-Toronto, and the City of Toronto appeared.

Labour also presented its views through the OFL and various locals of CUPE, the UAW, OPSEU, and the United Steelworkers of America.

Similarly, women's groups including the Equal Pay Coalition, the Federation of Women Teachers, the Registered Nurses' Association, and Business and Professional Women's Clubs put forward their recommendations.

Following this unprecedented opportunity for the public to discuss its views concerning implementation, a summary report of the findings will be presented to the Premier and Attorney General Ian Scott, Minister Responsible for Women's Issues. That report is expected shortly. According to the Minister, legislation will be introduced in the next session.

PAY INEQUITIES HIGHLIGHT NEED FOR LEGISLATION

As the Consultation Panel travelled throughout Ontario, presenters cited numerous examples of pay inequities. While not always substantiated by formal job evaluation, they raised the question - why these wage disparities? The following are excerpts from public presentations:

- o the entry wage for library assistants (mostly female) in North York is \$18,965 compared with the entry level of \$22,773 for library caretakers. The assistant requires at least highschool, typing and ability to lift heavy library materials. The caretaker requires grade 10 and ability to lift heavier objects.

- o the starting wage, following probation for a clerk typist 3 at Carleton University is \$8.38/hour. The hourly wage after probation of a groundskeeper 2 is \$10.37/hour. Qualifications for the secretarial job include completion of high school, secretarial courses and two years experience. Qualifications for the groundskeeper include completion of grade 10, experience in maintenance and possession of a Class D drivers license.
- o A female dispatch clerk at Sudbury's Laurentian Hospital earns \$10.22/hour to fill in requisitions, and maintain inventory. A male storekeeper/receiver earns \$11.77 for similar duties.
- o A 50 year old female clerk at Kingston's General Hospital requires grade 12, has 18 years experience and earns \$9.34/hour. Her 22 year old son who is an orderly requires grade 10, has 2 years experience and earns \$10.38/hour.

POLYSAR ADVOCATES PAY EQUITY

When Samuel Goldenberg, Vice-president of Personnel of Polysar Limited, presented his company's submission, he enjoyed the distinction of being the first member of a private corporation, outside of those represented by associations, to address the Pay Equity Consultation Panel.

Supporting the Principle of Pay Equity

Currently, Polysar is an employer which prides itself on having a strong affirmative action program. As well, Polysar has begun to assess its job evaluation procedures for gender based pay inequities. Moreover, it advocates the wider introduction of pay equity throughout the province.

An international petrochemical company with sales of over \$2 billion annually and employing 6000 people around the world, Polysar felt itself to be in a unique

position to offer its experience "both as a member of the business community competing in world markets, and as an Ontario employer supporting the principle of equality for women in the workplace."

Yet, at the same time that Polysar affirmed its staunch support of pay equity, part of its presentation was concerned with implementing such a plan in a way that would prove to be the least disruptive to the business community in general. They offered several methods to achieve this goal.

Pay Equity and Small Business

In particular, Polysar advised that the government of Ontario should issue minimum standards which companies could draw upon and refer to when examining their own wage-setting policies.

It was also recommended that the government offer assistance to employers through both expertise and monetary subsidies. "This", said Goldenberg, "would be of significant benefit to small businesses - those with between 20 and 50 employees". This move was necessary, argued Polysar, as the cost of deciding upon and implementing a pay equity scheme, while manageable for a larger company, could prove to be economically prohibitive for smaller firms. To underscore this point, Goldenberg noted his company's own costs of \$80,000 a year or \$50 per employee per year to maintain its job evaluation system.

It was also because of the cost factor that Polysar recommended exempting smaller businesses, those with under 20 employees, from pay equity legislation. These companies, maintained Polysar, would eventually be brought into line as far as wages were concerned through the influence of market forces.

Said Goldenberg, "As the larger companies increase the rates of pay where pay inequity is found, these higher rates will trickle down into the marketplace because the market for these positions

will reflect higher rates. Consequently, when smaller companies are trying to bring in people, they would be paying the higher rates as well.

Polysar also favoured allowing the private sector a period of three or four years after the passage of legislation to incorporate a pay equity plan. Moreover, he felt that the program itself should be based on a voluntary system whereby subsequent problems would be handled on a complaint basis.

With the same aim of preserving the fiscal integrity of individual businesses, the company also advocated treating each business "establishment" as a separate entity, each of which would be judged as regards a pay equity program with reference to various market factors. These would include cost of living; availability of skills and local hiring patterns.

Success not to be Achieved at Expense of Women

Still, given its comments, Polysar remained firm in its commitment to a pay equity program. "We urge caution and moderation in the implementation of this legislation so that the competitiveness of business, both large and small, is not destroyed," stated its brief. "But, on the other hand, business success must not be achieved at the expense of women."

JOB EVALUATION METHOD RECOMMENDED FOR SMALL BUSINESS

"All employers should be included in the implementation of pay equity" said a group of human resource professionals appearing recently before the Pay Equity Public Consultation Panel in Toronto. However, this group also noted that the manner in which different firms achieve pay equity may differ.

Referring specifically to small and medium sized organizations, which do not necessarily have job evaluation expertise on staff, members of this Ad

Hoc Committee recommended that these firms be able to gain technical assistance from any future pay equity monitoring agency.

Furthermore these personnel practitioners recommended "a system which is simple and likely to meet the job evaluation needs of small employers". That system is factor paired comparisons.

This system uses basic definitions for skill, effort, responsibility and working conditions.

The jobs are described in terms of the three or four components which are most important (e.g., require the greatest proportion of time, are most critical to the organization). Each job is compared with every other job one factor at a time. Points are assigned on a win, lose or draw basis. It is noted which of the pair ranks highest. By adding up the rankings it is possible to determine how the jobs compare to each other in value.

"As long as care is taken to eliminate any bias based on gender, this system works", noted Mirella Taiariol, who performs job evaluations at the University of Toronto. "It is a straightforward and simple means for an organization to logically rank jobs based on its own value system".

NO PROVINCE WIDE OR INDUSTRY WIDE PAY SCALES PLANNED

Contrary to statements by those who oppose pay equity, employers, not government "bureaucrats" will be evaluating jobs done by their own employees in their own establishment. As such, there is no plan for a province wide job evaluation plan or pay scales. Instead the scope will be restricted to an employer's own establishment. Each employer will assess the way in which the jobs done by his employees are evaluated to ensure wage setting practices do not reflect gender bias.

Gender Bias

Gender bias exists when the value of jobs done by women is not fully acknowledged and paid accordingly. Job evaluation systems which are gender neutral are those which evaluate jobs done by men and women using the same criteria. Skill, effort, responsibility and working conditions are examples of factors commonly rated.

It is not surprising that social values which have led to the undervaluation of women's work have found their way into currently used job evaluation systems.

To determine if gender bias exists, employers may want to ask themselves the following questions when reviewing the various stages in the job evaluation process:

What to look for:*

The Job Analysis Stage

Are the job content characteristics of jobs done predominantly by women overlooked in examining the value of jobs? These include responsibilities such as protecting confidentiality, cleaning up after others, time stress, stress from concentration such as that experienced by VDT workers and responsibility for other people.

The Interview Stage

Are women accurately describing their responsibilities in their job descriptions? For instance men may be more likely to use "supervise" and may be more likely to refer to "ability" versus "willingness" to perform a given task.

Choice of Factors To Be Valued

Do the same stereotypical notions that lead to overlooking the job content associated with women's jobs also unconsciously influence the selection of factors to be valued?

For instance the stress of working with the mentally ill or retarded may be overlooked whereas working with noisy machinery may not. Likewise, eye strain associated with VDTs may not be valued whereas working conditions such as working out of doors may be readily compensated.

Is the contact with axle grease given the same recognition in the job evaluation process as dirt associated with a nurse's job?

In short, does the list of factors to be valued include those favouring both male and female predominant jobs?

Weighting of Factors

Once job factors are selected, are they given appropriate weightings? Gender bias may exist if male related job factors such as physical effort are heavily weighted while female oriented job factors such as stress resulting from care of the sick are underweighted.

It is important that both the selection of factors used to evaluate jobs and the weights given are free of gender bias; that is, they don't result in male oriented jobs automatically being more highly valued.

Job Evaluation

Are jobs evaluated in any specific order, hence signalling a preconceived

importance? Are male predominated and female predominated groups considered separately? Is there a separate job evaluation system for clerical, labour, sales and managerial staff? This may preclude the comparison of men's jobs with women's jobs.

These are a few factors to look for to determine if bias based on gender exists in your wage setting practices.

PAY EQUITY MEANS HIGHER PENSIONS

"As long as wage inequity continues to exist, pensions for female workers will be less than for their male counterparts" said Edith Johnson on behalf of the Retired Workers of the United Automobile Workers in Canada.

Recently addressing the Pay Equity Consultation Panel, the UAW spokesperson supported the incorporation of pay equity in the private sector. "Given more equitable wages today, she maintained, when the age of retirement comes tomorrow, female workers will find themselves in a much more financially self-sufficient position".

Retired Workers: The Grim Present

To underline the necessity for pay equity legislation — the need for change — the former UAW worker outlined the plight facing many retired employees in Canada today. The points included:

- o For one in four of Canada's elderly, retirement income from all sources still means living below the poverty level established by Statistics Canada.
- o The majority — 58% — of these persons aged over 65 years are women.

- o A 1983 Parliamentary Task Force on Pension reform found that women over 65 years, because they were widowed, single or divorced, were likely to be poor.

Pay Equity's Role in Achieving Change

Observing such a reality, the UAW Retired Workers concluded that one of the most productive steps to overcoming such circumstances would be to adopt a pay equity program as soon as possible.

In particular, the association noted that a pay equity plan would greatly enhance most credit-defined benefit type pension plans (those that gear pension to earnings and years of service) that currently cover 71.4% of all Canadian unionized workers. This would come to pass, because if women received higher wages, they would ultimately receive higher and more livable pension allowances.

Tomorrow: Looking Towards Hope and Dignity

Speaking from their own experience, the UAW Retired Workers eloquently and concisely offered the following conclusion in their brief: "Our challenge is to replace today's economic insecurity with tomorrow's hope and dignity. And pay equity legislation is an integral part of that battle."

For information about pay equity write:

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